

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6272

BILL NUMBER: SB 51

NOTE PREPARED: Nov 21, 2014

BILL AMENDED:

SUBJECT: Payment of Monthly Pension Benefits.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that members and beneficiaries of any public pension fund administered by the Indiana Public Retirement System (INPRS) may receive monthly benefits only by direct deposit or another method approved by the board of trustees of INPRS. It repeals a similar but more narrowly applicable section concerning methods of paying monthly benefits to members and beneficiaries of the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF).

Effective Date: July 1, 2015.

Explanation of State Expenditures: INPRS spent \$212,400 issuing 180,000 paper checks to members and beneficiaries in FY 2014. The bill will allow the INPRS board, at their discretion, to provide electronic benefit transfer (EBT) cards in lieu of paper checks, thereby eliminating this expense.

The vast majority of pension plan members and beneficiaries receive their monthly benefits through direct deposit. Currently, a member or beneficiary must submit a waiver to INPRS in order to receive a paper check.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: INPRS.

Local Agencies Affected:

Information Sources: INPRS presentation to the Pension Management Oversight Committee, September 16, 2014 (<https://iga.in.gov/documents/585f90b9>).

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